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SUBJECT: Argentina: Kirchners Appoint Loyalists to  
Key Congressional Positions

REF: BUENOS AIRES 2139

¶1. (SBU) SUMMARY: With the Ministers set, Cristina Fernandez de Kirchner (CFK) and her husband, outgoing President Nestor Kirchner (NK), are now filling key Congressional slots with loyalists. Sources close to the Kirchners have publicly revealed that Senate President Pro-Tempore Jose Pampuro, Senate Majority Leader Pichetto, and Chamber of Deputies Majority Leader Agustin Rossi will all retain their positions, and that former Governor and Kirchner ally Eduardo Fellner will take over as Speaker of the House on December 10.

¶2. (SBU) In the Argentine government, the Congress does not provide many checks or balances on Executive power. It does not exercise oversight or control the purse strings the way the U.S. Congress does, nor does it initiate much legislation. (Most bills are proposed by the Executive Branch.) That said, the Kirchners' Victory Front party (FPV) and allies' overwhelming victory in the October polls gave them huge majorities in both Houses of Congress, which virtually guarantees swift passage of legislation the Kirchners deem necessary. The opposition is divided and already spending much of its time and energy in internecine squabbles. End Summary.

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CFK Has Strong Majorities in Both Houses  
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¶3. (SBU) The Kirchners' Victory Front Party (FPV) and allies' overwhelming victory in the October polls gave them substantial majorities in both Houses of Congress (reftel). This will enable CFK to swiftly pass legislation she wishes to introduce, unlike her husband, who tended to rule by executive decree to spare himself the need to craft working majorities in the Argentine Congress. Although the final composition of the Congress has not yet been determined, preliminary information from the Congress indicates that the FPV and its allies will hold 51 seats in the Senate, which is more than the two-thirds super majority the Kirchners would need to pass constitutional amendments in the Senate, should they deem it necessary. They would still have to negotiate with opposition parties in the Lower House, however, as the FPV, with 160 seats, is roughly 12 seats shy of a super majority. Although ordinary legislation requires only a simple majority for passage, constitutional amendments can be approved only with a two-thirds super majority in both the Senate and the Chamber.

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Eduardo Fellner: New Speaker of the House  
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¶4. (SBU) The majority-bloc Victory Front Party (FPV) informally named Deputy-elect Eduardo Fellner as the new Speaker of the House as of December 10, replacing Alberto Balestrini, who will become the new vice-Governor-elect for Buenos Aires province. Deputy Carlos Kunkel, a close Kirchner confidant, stated in a radio interview that the appointment is assured, which would make Fellner third in line for the Presidency. A lawyer by training, Fellner served as

Governor of Jujuy province for the last eight years and has been both a national and provincial legislator.

15. (SBU) Fellner has openly supported President Kirchner since 2003. He is considered a Kirchner loyalist who will act in accordance with the Casa Rosada's will. For example, Fellner abandoned his intention to seek a third consecutive term as Jujuy governor after the Kirchners asked him not to run given widespread public opposition to reforming the provincial constitution that would have eliminated term limits. The decision came in the wake of a Kirchner-backed referendum on the same issue that was defeated in the province of Misiones in October 2006.

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Pampuro, Pichetto, and Rossi to Stay in Key Positions...  
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16. (SBU) In the same interview, Kunkel also revealed that current President Pro-Tempore Jose Pampuro would stay in his current position. Pampuro is second in line for the Presidency after Vice-President Julio Cobos. The FPV has also officially announced that Senator Miguel Angel Pichetto and Deputy Agustin Rossi would retain their positions as, respectively, Senate Majority Leader and Majority Leader in the Chamber of Deputies. According to Congressional sources, Senator Pichetto will remain in his current position for one more year.

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...with Pampuro keeping an eye on VP Cobos  
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17. (SBU) Senator Pampuro was appointed as President Pro-Tempore in February 2006, after he won a Senate seat in the 2005 legislative elections. Pampuro had previously served as Nestor Kirchner's Minister of Defense from May 2003 to October 2005, and was the Chief of Staff for former President Eduardo Duhalde, with whom he had a close personal relationship. There is speculation that President-elect Cristina Kirchner wants Pampuro to monitor Vice-President-elect Julio Cobos in order to keep Cobos' political influence in check. (Note: Cobos is a "K-Radical", i.e., a member of the Radical party who has aligned himself with Cristina Kirchner.)

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Civic Coalition is Largest Minority, But Can They Keep it Together?  
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18. (SBU) The opposition Civic Coalition's (CC) relatively strong performance in recent congressional elections has enabled the party to establish itself as the largest minority in the Lower House. However, the recent departure of eight dissident ARI deputies from the coalition is putting the coalition's political cohesion, and possibly its position as the largest minority, at risk. The dispute between ARI and the Civic Coalition began after Coalition Presidential Candidate Elisa Carrio decided to ally ARI, which is traditionally center-left, with center-right members of the "Union por Todos" party.

19. (SBU) Although there have not been any official announcements yet as to who will head the coalition in each of the Chambers, the rumor mill indicates that Adrian Perez will be the CC's Minority Leader in the Chamber of Deputies and Senator-elect Maria Eugenia Estensoro will be the Minority Leader in the Senate. ARI's current Minority leader Eduardo Macalusse will likely continue to lead the dissident ARI bloc. In addition, it is believed that the Socialists, which are currently allied with the Civic Coalition, may form an individual bloc, with Elisa Carrio's running mate Ruben Giustiniani as Socialist party leader in the Senate.

110. (SBU) The Radical party's poor performance in the October elections resulted in the party likely losing its position as the largest opposition party in the Chamber of Deputies, if the Civic Coalition is able to keep its members together. The Radical party has announced that Deputy Oscar Aguad will replace Fernando Chironi on December 10 as Minority Leader for the Radicals in the Chamber of Deputies. Senator Ernesto Sanz will retain his position as Senate Minority Leader for the Radicals.

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K Loyalists to Head Key Budget and Constitutional Affairs  
Committees  
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¶11. (SBU) The press has reported that Cristina Kirchner has also decided that Senator Roberto Urquia will head the strategic Budget Committee, replacing outgoing Senator and Chaco Governor-elect Jorge Capitanich. Although Urquia won a Deputy seat in the October elections, he will not take up the position in order to complete his remaining two years in the Senate. An oil businessman from Cordoba, Urquia maintains a good relationship with industry and has CFK's trust. Previously, he served as mayor of General Deheza in Cordoba province for three terms, and has also served in the Cordoba Senate and the National Congress.

¶12. (SBU) It has also been reported that Senator Nicolas Fernandez will replace CFK as chair of the Constitutional Affairs Committee, despite FPV Majority Leader Miguel Pichetto's rumored efforts to convince CFK that current Vice-Chairman Senator Marcelo Guinle should replace her. He was most recently head of the General Legislation Committee, and has been described as a man of unconditional loyalty to the Kirchners. Fernandez is a lawyer by training and was born in Puerto Deseado, Santa Cruz province. He has served as an advisor to the main oil and gas labor unions in Santa Cruz and maintains good ties with the unions.

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Rumors Abound for Other Top Senate Spots, Deputies Undefined  
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¶13. (SBU) Our sources in the Congress have indicated that CFK is considering San Luis Senator Daniel Persico as head of the Infrastructure Committee and Formosa Senator Adriana Bortolozzi de Bogado for the General Legislation Committee. The Radicals will try to retain the chair in the Labor Committee, Rights and Securities Committee, and Trade and Industry Committee, but nothing has been confirmed thus far. Our sources say they do not have any information on who will head key committees in the Lower House as of December 10.

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Comment  
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¶14. (SBU) Over the last four years, the Kirchners have methodically worked to consolidate power, culminating in huge FPV victories in the October elections. Political analysts have reported that the Kirchners have personally identified who would head key

Congressional committees, with CFK filling in the key slots for the Senate, and Nestor Kirchner taking the Chamber of Deputies. So far, they have opted to appoint loyalists whom they trust will report directly to them and help them implement the vaguely-defined "K agenda." The Kirchners' lock on Congress virtually guarantees swift passage of legislation (and places them in a strong position to pass any Constitutional amendments) that the first couple deems necessary. Now, more than ever, it seems that the legislative agenda will be controlled by the Kirchners and a small inner circle of advisors. END COMMENT.

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